Franchise Tax Board

ANALYSIS OF AMENDED BILL

Author:	Dymally	Analyst:	Nicole Kwon	Bill Number:	AB 1766
Related Bills:	See Legislative History	Telephone:	845-7800	Amended Date:	September 2, 2005
		Attorney:	Patrick Kusiak	Sponsor:	

SUBJECT:	Enterprise Zone, Manufacturing Enhancement Area, Targeted Tax Area & LAMBRA Hiring Credit, NOL Deduction & Business Expense Deduction

SUMMARY

This bill would make various changes and reforms to existing law regarding Enterprise Zones, Manufacturing Enhancement Areas, Targeted Tax Areas, and Local Agency Military Base Recovery Areas.

This analysis addresses only those provisions of the bill affecting the Franchise Tax Board (FTB).

SUMMARY OF AMENDMENTS

The September 2, 2005, amendments struck the previous provisions relating to Military Family Relief Fund and would make revisions to the following areas of the Economic Development Areas (EDAs):

A. Designation of Enterprise Zones.
B. Designation of Targeted Employment Areas.
C. Hiring Credit.
D. Net interest deduction.
E. Business expense deduction.
F. Net operating loss.

Each item is discussed separately below.

PURPOSE OF THE BILL

According to the author's office, the purpose of the bill is to enact meaningful reforms to the EDA programs to ensure that the state maximizes its investment in the program and targets benefits to economically challenged areas and individuals.

EFFECTIVE/OPERATIVE DATE

If enacted in 2005, this bill would be effective January 1, 2006. The operative dates of these changes vary and will be addressed separately for each provision.

Board Position:			Department Director	Date
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POSITION

Pending.

A. Designation of Enterprise Zones (EZs)

ANALYSIS

FEDERAL/STATE LAW

Existing federal law provides for the existence of empowerment zones and enterprise communities to provide economic revitalization to distressed urban and rural areas.

Under the Government Code, existing state law allows the governing body of a city or county to apply for designation as an EZ. Using specified criteria, Department of Housing and Community Development (DHCD) designates EZs from the applications received from the governing bodies. EZs are designated for 15 years. Currently, 39 of the authorized 42 EZs have been designated. An EZ designated before 1990 may have its designation period extended to 20 years if it meets both of the following requirements:

- The EZ received a superior or passing audit grade from the responsible agency.
- An updated economic development plan was submitted to the responsible agency that justified the additional five-year designation period.

This extension does not apply to EZs designated after 1990. Once designated, DHCD may audit EZ programs and determine a result of superior, pass, or fail, and may dedesignate failing programs. Any business located in a dedesignated zone that has elected to avail itself of any state tax incentive for any taxable year prior to dedesignation may continue to avail itself of those tax incentives for a period equal to the remaining life of the dedesignated EZ, provided the business otherwise is still eligible for those incentives.

Currently the Government Code allows an area to qualify as an EZ in two ways. First, by meeting one of the following criteria: (1) qualifying for the Urban Development Action Grants (now defunct), (2) the area within the proposed EZ has experienced plant closures within the past two years affecting more than 100 workers, (3) meets criterion of economic distress under the Urban Development Action Grants (now defunct), or (4) the area has a history of gang activity. Second, by meeting at least two of the following criteria: (1) the census tract within the proposed zone have an unemployment rate not less than 3 percentage points above the statewide average for the most recent calendar year as determined by the Employment Development Department (EDD), (2) the county of the proposed zone has more than 70% of the children enrolled in public school participating in the federal free lunch program, or (3) the median household income for a family of four within the census tracts of the proposed zone does not exceed 80% of the statewide median income for the most recently available calendar year.

THIS BILL

This bill would revise the following existing criteria to qualify as an EZ:

- Limit qualification based on the Urban Development Action Grants (now defunct), the area within the proposed EZ that has experienced plant closures within the past two years affecting more than 100 workers, meeting criterion of economic distress under the Urban Development Action Grants (now defunct), or gang-related violence (whether or not crimes of violence have been committed) to designations prior to January 1, 2006.
- Measure unemployment rate over a three-year period instead of a one-year period.
- Add the countywide average unemployment rate in addition to statewide average unemployment rate to measure the unemployment rate.

The bill would also add new criteria as follows:

- The area has a history of gang-related activity and has received a grant under the Gang Violence Suppression Program.
- The area documents an industry restructuring with negative long-term impacts affecting long-term economic development. Specific findings are required to satisfy this criterion.

This bill would also do the following:

- Add legislative intent language with respect to preference used when making EZ designations.
- Extend the designation period for EZs if they meet specified criteria. As a result, EZs, including those EZs that were created after 1990 with a designation of only 15 years, would be eligible to have the designation period extended for two additional five years for a total designation period of 25 years.
- Allow DHCD to approve time extensions of EZs with revised boundaries to ensure that these EZs may be extended with boundaries that conform to the new criteria.

The changes made by the bill with respect to the designation of EZs would be operative on and after January 1, 2006.

LEGISLATIVE HISTORY

AB 708 (Correa, 2003/2004), SB 172 (Ducheny, 2003/2004), SB 1179 (Ducheny, 2003/2004), and AB 1846 (Correa, 2001/2002) would have expanded EZs to be designated as an EZ for 20 years. AB 708 and SB 172 failed to pass out of the first house by January 31 of the second year of the session. SB 1179 was held in Senate Appropriations. AB 1846 failed to pass out of the Senate Revenue & Taxation Committee.

AB 516 (Matthews, 2003/2004) would have expanded EZs eligible for the 20-year designation period to include an EZ located in a rural area after 1990. This bill failed to pass out of the first house by January 31 of the second year of the session.

SB 6 (Ducheny, 2005/2006) would have expanded EZs to be designated as an EZ for 20 years if certain criteria are met. SB 6 is currently in Senate Revenue & Taxation Committee.

OTHER STATES' INFORMATION

Florida has 51 state enterprise zones that are designated until December 31, 2005. The Florida Legislature will determine at that time if the program should continue as is, continue with modifications, or be completely repealed.

Illinois has 93 enterprise zones, *Michigan* has 33 Renaissance Zones, and *New York* has 71 empire zones. Each of these states' designated zones does not appear to have an expiration date.

The laws of these states were reviewed because their tax laws are similar to California's income tax laws.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

Revenue Estimate

Based on the discussion below, the total revenue loss from this bill is as follows:

Estimated Revenue Impact of AB 1766 Effective Date 1/1/2006 Fiscal Year (In Millions)			
	2005-06	**2006-07**	**2007-08**
Sunset Extension	0	-8	-34

Note: This analysis does not consider the possible changes in employment, personal income, or gross state product that could result from this bill.

Revenue Discussion

The largest revenue impact from this bill would be generated by the extension of sunset dates for EZs. This impact will not begin, however, until the first set of currently scheduled sunset dates in October 2006. Tax return data indicate that the tax effect attributable to EZs set to expire in 2006 is approximately $70 million annually (before adjustments). This potential revenue loss was reduced to account for three factors: First, EZ employers will be allowed to continue claiming hiring credits for employees who were hired prior to an EZ's expiration until those credits run out five years after the employee was hired. Second, taxpayers will be allowed to use excess credits carried over from previous years. Third, new EZs will likely be designated to replace the expired EZs (these may include redesignation of some or all of the expired EZs). The estimate assumes that the new designations will begin approximately 18 months after EZs expire.

B. Designation of the Targeted Employment Areas (TEAs)

FEDERAL/STATE LAW

Existing federal law provides for the existence of empowerment zones and enterprise communities to provide economic revitalization of distressed urban and rural areas.

Under the Government Code, a TEA is to encourage businesses in an EZ to hire eligible residents of certain geographic areas within a city, county, or city and county. A TEA may be, but is not required to be, the same as all or part of an EZ. EZs may draw TEAs to contain census tracts where 51% or more of the individuals are low or moderate income. TEAs are drawn using census data at the time of the EZ's formation. A resident of a TEA can be certified as a qualified employee for purposes of the EZ hiring credit. See discussion below.

BACKGROUND

Currently, census tracts are used to determine TEAs. Census tracts usually contain between 2,500 and 8,000 people, whereas census block groups, the smallest unit of analysis where the Census Bureau measures income, are statistical subdivisions of census tracts, including between 600 and 3,000 people.

THIS BILL

This bill requires all EZs to redraw TEAs within 180 days of new census data becoming available.

This bill raises the threshold for a census block from 51% to 61% for EZs designated or extended after January 1, 2006.

This bill requires EZs to use either census tract or block group when determining TEAs.

This provision would be operative as of January 1, 2006.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not significantly impact the department's programs and operations.

OTHER STATES' INFORMATION

Florida has 51 state enterprise zones that are designated until December 31, 2005. The Florida Legislature will determine at that time if the program should continue as is, continue but with modifications, or be completely repealed.

Illinois has 93 enterprise zones, *Michigan* has 33 Renaissance Zones, and *New York* has 71 empire zones. Each of these states' designated zones does not appear to have an expiration date.

The laws of these states were reviewed because their tax laws are similar to California's income tax laws.

FISCAL IMPACT

This portion of the bill would not significantly impact the department's costs.

ECONOMIC IMPACT

This portion of the bill is not anticipated to impact significantly the amount of revenue.

C. Hiring Credit

FEDERAL/STATE LAW

Under the Government Code, state law provides for several types of Economic Development Areas (EDAs): EZs, Manufacturing Enhancement Areas (MEAs), Targeted Tax Areas (TTAs), and Local Agency Military Base Recovery Areas (LAMBRAs).

Under the Revenue and Taxation Code, existing state law provides special franchise and income tax incentives for taxpayers conducting business activities within an EDA. These incentives include a hiring credit for taxpayers operating in an EDA.

A business located in an EDA is eligible for a credit equal to a percentage of wages paid to qualified employees. A qualified employee must be hired after the area is designated as an EDA and meet certain other criteria. At least 90% of the qualified employee's work must be directly related to a trade or business located in the EDA and at least 50% must be performed inside the EDA.

The credit is based on the lesser of the actual hourly wage paid or 150% of the current minimum hourly wage (under special circumstances for the Long Beach EZ, the maximum is 202% of the minimum wage). The amount of the credit must be reduced by any other federal or state jobs tax credits, and the taxpayer's deduction for ordinary and necessary trade or business expenses must be reduced by the amount of the hiring credit. Certain criteria regarding who may be qualified employees and certain limitations differ between the various EDAs.

Taxpayers operating in an EDA are allowed the hiring credit for employing "qualified employees." "Qualified employees" for EDAs are defined by reference to various state and federal public assistance programs. The categories of individuals considered qualified employees for the various EDAs are substantially similar but not identical. A taxpayer located in an EDA is allowed a credit of up to 50% of wages paid to "qualified employees." To be eligible for the hiring credit, the taxpayer is required to obtain a voucher certificate for each of its "qualified employees." The voucher certificates are issued by EDD or the local (within the same EDA as the workplace of the employee) agency familiar with the public assistance statutes.

Existing state law allows local governments administering an EZ to issue vouchering certificates for the hiring credit. DHCD is authorized to develop regulations that govern the issuance of vouchering certificates by these local governments.

DHCD also has the authority, until July 1, 2006, to charge a fee of up to $10 for each application for a hiring credit voucher certificate under the EZ in order to cover the costs of administering the program. If the Franchise Tax Board (FTB) does not accept the vouchering certificate for purposes of the EZ hiring credit, DHCD is required to refund any fees assessed or collected.

For MEAs, LAMBRAs, and the TTA, the California Employment Development Department and the local entities that administer the Job Training Partnership Act and Greater Avenues of Independence Act (GAIN) have the authority to issue the voucher certificates. The voucher certificate indicates that the employee is qualified for or receiving any of the specified forms of public assistance and thus is a "qualified employee" for purposes of the hiring credit. Currently, there is no fee charged for each application for a hiring credit voucher certificate under the MEAs, LAMBRAs, and the TTA.

Taxpayers that claim the hiring credit are required to retain a copy of the voucher certificate for each of its "qualified employees." Upon the request of FTB, the taxpayer is required to provide the voucher certificate for purposes of verifying the hiring credit claimed by the taxpayer.

THIS BILL

This bill would do the following:

- Revise the requirements for qualified employees to require certain employees to be enrolled and documented in the California Job Training Automation System by an authorized Workforce Investment Act (WIA) representative.
- Revise the requirements for another category of qualified employees to require receipt of benefits under California Work Opportunity and Responsibility to Kids program.
- Define the "economically disadvantaged individual" and "dislocated worker" as an individual who meets the definition of those terms under the WIA.
- Require DHCD to adopt regulations regarding the issuance of voucher certificates for qualified employees in MEAs, LAMBRAs, and the TTA.
- Require applications for voucher certificates to be submitted to the certifying agency within 24 months of the commencement date of employment with the taxpayer.
- Clarify the requirement for employers to obtain a voucher certificate from the local agency in the area in which the employee is employed.
- Revise the definition of veterans.
- Revise the definition of qualified employees to ex-felons, rather than all ex-offenders.

IMPLEMENTATION CONSIDERATION

This bill would raise the following implementation consideration.

The bill states that for EZs, the provisions shall apply to "taxable years beginning on or after January 1, 2006, and to vouchers for hiring credits issued after that date." This is inconsistent with the date used for MEAs, LAMBRAS, and the TTA that references "vouchers issued after January 1, 2006." In order to avoid the confusion, the author should use the same date for all EDAs.

LEGISLATIVE HISTORY

SB 254 (Tolarkson, 2005/2006) would have authorized DHCD to assess and collect a fee of up to $10 for the administration of each application it accepts for issuing the vouchering certificates for the MEAs, LAMBRAs, and the TTA, in addition to the same fee for EZs that exists under current law. SB 254 is in Assembly Business & Profession Committee.

SB 1097 (Senate Budget Comm., Stat. 2004, Ch. 225) authorized local governments to issue vouchering certificates and authorized DHCD to issue emergency regulations to govern local governments and assess a fee for the administration of the EZ hiring credit.

SB 1523 (Ashburn, 2003/2004) would have allowed a hiring credit to employers with fewer than 19 employees. This bill failed passage by the Senate Appropriations Committee.

SB 1876 (Alpert, 2003/2004) would have, among other things, created a Living Wage Opportunity and Revitalization Credit and repeal the EDA hiring credits. SB 1876 was amended on April 29, 2004, to be a California earned income tax credit. This bill failed passage by the Senate Appropriations Committee.

AB 2365 (Correa, 2003/2004) would have allowed a credit for wages paid to a qualified employee who is hired in the taxpayer's manufacturing trade or business. This bill failed passage by the Assembly Revenue & Taxation Committee.

AB 2926 (Nakano, 2003/2004) would have revised and expanded the qualifying process for the hiring credit in EDAs. This bill failed passage by the Senate Housing and Community Development Committee.

AB 2895 (Committee on Revenue and Taxation, Stat. 2000, Ch. 864) amended the LAMBRA and the MEA hiring credit statutes to be consistent with the existing EZ and TTA statutes. Taxpayers are required to obtain a voucher for each newly hired employee, except with regard to the MEA hiring credit. No certification is required to claim the MEA hiring credit.

OTHER STATES' INFORMATION

Florida allows businesses located in an EZ a credit based on wages paid to new employees. Other wage-based credits are offered to businesses that are located in high crime areas or in rural areas.

New York allows a wage credit to a business that hires a full time employee (either one in targeted group or not) for a newly created job in an Empire Zone.

Illinois, Massachusetts, Michigan, and *Minnesota* do not offer a wage credit to small business employers.

Most of these states offer assistance such as financial, marketing, licensing, finding employees, tax seminars, and training to small businesses.

FISCAL IMPACT

This portion of the bill would not significantly impact the department's costs.

ECONOMIC IMPACT

Revenue Estimate

This portion of the bill is not anticipated to significantly impact revenue.

Revenue Discussion

This bill clarifies the definition of a qualified employee for EZs, qualified disadvantaged individual or qualified displaced employee for LAMBRAs, and qualified disadvantaged individual for MEAs for the purpose of claiming the various EDA hiring credits. Based on current interpretations of this definition by FTB, EDD and DHCD, this estimate assumes that the definition is the same as current law. In the event that this assumption is later proven incorrect, this bill would prevent substantial losses of revenue in the form of credits for employees that may be qualified under alternative interpretations of these definitions.

D. Net Interest Deduction

ANALYSIS

FEDERAL/STATE LAW

A deduction from income is allowed for the amount of net interest earned on loans made to a trade or business located in an EZ. Net interest is defined as the full amount of the interest less any direct expenses (e.g., commission paid) incurred in making the loan. The loan must be used solely for business activities within the EZ, and the lender may not have equity or other ownership interest in the EZ trade or business. This incentive is not available for LAMBRAs, the TTA, or MEAs.

THIS BILL

This bill would limit the deduction to interest received on loans made to businesses that are physically located within the EZ and do not have physical locations both inside and outside the EZ.

This bill requires lenders to verify and document that the loan proceeds are spent within the EZ to qualify for the deduction.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not significantly impact the department's programs and operations.

OTHER STATES' INFORMATION

Currently, 29 other states have EDAs that provide similar tax-related incentives to those provided in California's EDAs. The number of EDAs varies from state to state. For example, *California* currently has 49 EDAs (that includes EZs (39), MEA (2), LAMBRA (7), and TTA (1)), *New York* has 71, *Florida* 51, *Illinois* 93, and *Michigan* 33.

Florida allows a county or municipality an authorization to grant an economic development tax exemption to new businesses and expansions of existing businesses. To get an economic development exemption, a qualifying business must file a written application, on a form prescribed by the Department of Revenue, with the board or governing authority, or both, requesting adoption of an ordinance exempting the applicant. The application must be filed in the year for which the exemption is desired.

New York provides credits against the franchise tax to encourage corporations to relocate to disadvantaged areas, designated as Empire Zones, and to stimulate private business development and create new jobs in those areas. To be eligible for the qualified empire zone enterprises (QEZE) credits, a business must be certified under New York General Municipal Law Section 18-B as a QEZE and meet the "employment test."

Illinois has a Growing Economy Tax Credit Act that provides tax credits to businesses creating new jobs and making capital investments. A taxpayer that has entered into an agreement under the Growing Economy Tax Credit Act is allowed a credit against the tax. The Department of Revenue and the Illinois Business Investment Committee determine the amount and duration of the credit, which must not exceed 10 taxable years.

FISCAL IMPACT

This portion of the bill would not significantly impact the department's costs.

ECONOMIC IMPACT

This portion of the bill is not anticipated to significantly impact the amount of revenue associated with existing and future EZs.

E. Business Expense Deduction

ANALYSIS

FEDERAL/STATE LAW

A business located in an EDA (except an MEA) may elect to deduct as a business expense a specified amount of the cost of qualified property purchased for exclusive use in the EDA. The deduction is allowed in the taxable year in which the taxpayer places the qualified property in service. For LAMBRA businesses, the amount of the deduction is added back to the taxpayer's income if at the close of the second year the taxpayer does not have a net increase of one or more jobs (defined as 2,000 paid hours per employee per year). The property's basis must be reduced by the amount of the deduction. For EZs, LAMBRAs, and the TTA, the maximum deduction for all qualified property is the lesser of 40% of the cost or the following:

	The applicable amount is:
Taxable year of designation	$ 100,000
1st taxable year thereafter	100,000
2nd taxable year thereafter	75,000
3rd taxable year thereafter	75,000
Each taxable year thereafter	50,000

THIS BILL

This bill increases the business expense deduction from 40% to 60%.

This bill expands the cap on deductions to $100,000 for any year in the EZ.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not significantly impact the department's programs and operations.

OTHER STATES' INFORMATION

Currently, 29 other states have EDAs that provide similar tax related incentives to those provided in California's EDAs. The number of EDAs varies from state to state. For example, *California* currently has 49 EDAs (that includes EZs (39), MEA (2), LAMBRA (7), and TTA (1)), *New York* has 71, *Florida* 51, *Illinois* 93, and *Michigan* 33.

FISCAL IMPACT

This portion of the bill would not significantly impact the department's costs.

ECONOMIC IMPACT

Revenue Estimate

Estimated Revenue Impact of AB 1766
Effective Date 1/1/2006
Fiscal Year
(In Millions)

	2005-06	**2006-07**	**2007-08**

Expensing	(minor)	-1	(minor)

Note: This analysis does not consider the possible changes in employment, personal income, or gross state product that could result from this bill.

Revenue Discussion

Revenue loss would result from the revised limits on expensing by businesses. The bill would triple the limit on qualified expenses per taxpayer. It is estimated that this would result in approximately $15 million annually in new qualified expenses. This would result in a revenue loss of about $1 million in tax year 2006. Thereafter, the revenue loss diminishes because current expensing will be offset by reduced depreciation of assets that were expensed in earlier years.

F. Net Operating Loss (NOL)

ANALYSIS

FEDERAL/STATE LAW

A business located in an EDA may elect to carry over 100% of the EDA net operating losses (NOLs) to deduct from EDA income of future years. The election must be made on the original return for the year of the loss. The NOL carryover is determined by computing the business loss that results from business activity in the EDA.

In the case of corporations doing business both within and outside of this state, California, as do most states, taxes corporations exclusively on a source basis, with source income being determined by use of an apportionment formula for business income and an allocation methodology for nonbusiness income. While a state cannot tax income from sources outside the state, it is similarly not obligated to consider losses from sources outside the state. Thus, the applicable apportionment rule governing NOLs provides that a taxpayer has a California NOL based on the sum (or net) of its California-apportioned business income (or loss) and its allocated nonbusiness income (or loss).

THIS BILL

This bill extends the carryover period for deducting an EDA NOL from 15 to 17 years.

This bill eliminates the NOL apportionment formula.

This bill eliminates the requirement that the attributable income to be taxpayer's California source business income attributable to EZs.

IMPLEMENTATION CONSIDERATION

This bill would raise the following implementation consideration.

This bill states that for purposes of computing the NOL amount (subject to carryover), the loss is limited to the loss attributed to the taxpayer's business activity in the EDA. The bill then eliminates language as to how to determine this limitation, thus eliminating the definition of "loss attributed to the taxpayer's business activity in the economic development area."

TECHNICAL CONSIDERATIONS

Changes to subdivision lettering were not updated in cross-reference language. For example, the subdivision (c) on page 71, line 8 needs to be replaced with subdivision (d).

LEGISLATIVE HISTORY

AB 511 (Alquist, Stats. 2000, Ch. 107) incrementally increased the general NOL from 50% to 65% and increased the carryover period from five to ten years.
AB 2065 (Oropeza, Stats. 2002, Ch. 488) suspended the deduction for NOLs, increased the carryover percentage to 100% of the loss for tax years beginning on or after January 1, 2004, and extended withholding on real property to nonresidents.

OTHER STATES' INFORMATION

The states surveyed include *Florida, Illinois, Massachusetts, Michigan, Minnesota*, and *New York*. These states were selected due to their similarities to California's economy, business entity types, and tax laws.

Florida income tax law, with respect to corporations, provides a 20-year carryover period but no carryback, and otherwise conforms to federal NOL laws. *Florida* has no personal income tax.

Illinois income tax law conforms to federal law regarding NOLs.

Massachusetts income tax law does not allow NOL treatment for personal income taxpayers, but corporations are allowed a 100% NOL that applies to the first five years of the entity's existence.

Michigan income tax law conforms to federal NOL laws, including the allowance of NOL carrybacks for corporations. However, *Michigan's* personal income tax law does not allow NOL carrybacks.

Minnesota personal income tax law conforms to federal NOL laws, while corporate taxpayers determine NOLs pursuant to federal law but have no NOL carrybacks and only a 15-year carryforward period.

FISCAL IMPACT

This portion of the bill would not significantly impact the department's costs.

ECONOMIC IMPACT

Revenue Estimate

Based on the discussion below, the revenue loss from this bill is as follows:

Estimated Revenue Impact of AB 1766 Effective Date 1/1/2006 Fiscal Year (In Millions)			
	2005-06	**2006-07**	**2007-08**
NOLs	-1	-5	-4

Note: This analysis does not consider the possible changes in employment, personal income, or gross state product that could result from this bill.

Revenue Discussion

This provision of the bill will have an immediate impact on revenue due to liberalization of the use of NOLs in EDAs. Based on historical data on EDA NOL usage and assuming that the new rules will result in tripling the usage of EDA NOLs, it is estimated that this provision will result in a loss of approximately $4 million per year. The results in the table above have been adjusted to reflect fiscal year estimates.

POLICY CONSIDERATION

Eliminating the current law that allows the taxpayer's California source business income attributable to EDAs to be applied only to business income generated from EDAs will create a question as to how NOL losses that have already been incurred and subject to carryover provisions will be used in the future years.

LEGISLATIVE STAFF CONTACT

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